

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF EDWARD) APPEAL NO. 07-A-2428
J. LINDAHL from the decision of the Board of) FINAL DECISION
Equalization of Bonner County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing, October 16, 2007 in Sandpoint, Idaho before Board Member Linda S. Pike. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Edward J. Lindahl appeared at hearing. Assessor Jerry Clemons and Residential Supervisor Jeri Peterson appeared for Respondent Bonner County. This appeal is taken from a decision of the Bonner County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. RP00430000030A.

The issue on appeal is the market value of residential property.

The decision of the Bonner County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$553,410, and improvements' valuation is \$146,072, with other values of \$800, totaling \$700,282. Appellant requests the land value be reduced to \$544,897, the improvements' value be reduced to \$94,291, and other values increased to \$1,008, totaling \$640,196.

The subject property is 110 feet of improved lakefront property located in Sourdough Point Subdivision on Lake Pend Oreille in Bonner County. Sourdough Point subdivision has a common beach, park and picnic area, basketball court, and tennis court.

Appellant stated subject main floor was only 80% complete. It was mentioned the main floor lacked baseboards, back splash, and trim. The taxpayer also asserted the

basement was unfinished, only studded out with rough wiring.

Appellant explained subject had an inferior, 40% diminished view , blocked by Sourdough Island, and a 40 foot setback from the lake, on a smaller than average lot. One photograph of subject's view was submitted.

Appellant submitted an exhibit titled "Comparison of "Comparables" Using the "Average Method". Taxpayer discussed how the Assessor's comparable sales used at the BOE had multiple garages and one included a boathouse on the shoreline. Arial photographs were presented showing the comparables' location in relation to subject.

Appellant stated the Idaho State Tax Commission reduced subject assessed value by 5% . It was then explained that the 2006 Idaho Federal Housing Index gained 20%. Appellant considered the 5% discount and the 20% housing gain and arrived at the value claim of \$640,196.

The County explained once a basement is studded out it is considered 75% complete not half finished. The main floor was considered 100% complete, as all that remains is trim work, which would not affect assessed values.

Respondent presented comparable sales which were located in close proximity to subject. Some of the sales had improvements, which the County extracted, to arrive at a lakefront land value. Lake frontage ranged between 100 and 180 front feet and sale prices ranged between \$3,056 and \$8,500 per front foot.

The County stated subject residential improvement was considered average quality of construction in good condition, with little depreciation. The last time the County inspected subject was in 2005 and at the time subject was estimated to be 93% complete. According

to sales in 2006, the County stated the mean price for property with similar quality of construction and condition was \$113.41 per square foot, and the median was \$109.42. Based on subject's 1,632 square feet of finished area the assessed value of subject was \$146,072 or \$89.50 per square foot.

Respondent maintained subject's minor the unfinished trim work in subject would not effect the value, and the unfinished basement had been considered in the assessed value. Respondent stated subject's land value was reduced \$34,540 by the BOE, for the filtered view.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purpose of taxation, Idaho mandates that all property must be valued at current market value each year as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

In determining the value of property the assessor may and should consider cost, location, actual cash sale value and all other factors, known or available to his knowledge, which affect the value of the property assessed. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979). Appellant argued the view from subject was obstructed and subject

improvements were incomplete. In addition the setbacks and less than typical lot size limit the marketability of subject.

Respondent presented sales to support subject's homesite value. Additionally, Respondent explained the method used to derive subject's assessments and took into consideration that the residence was not complete.

"The value of property for purposes of taxation as determined by the assessor is presumed to be correct; and the burden of proof is upon the taxpayer to show by [a preponderance of the evidence] that he is entitled to the relief claimed." Board of County Comm'rs of Ada County v. Sears, Roebuck & Co., 74 Idaho 39, 46-47, 256 P.2d 526, 530 (1953).

In this case, the Board is convinced by Appellant's arguments, that further consideration is warranted. We therefore reverse the decision of the Bonner County Board of Equalization and grant Appellant's value claim.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed as follows:

Category 15	\$544,897
Category 32	\$ 1,008
Category 37	\$ 94,291
Total	\$640,196

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED April 30, 2008